

EU-US Trade and Technology Council

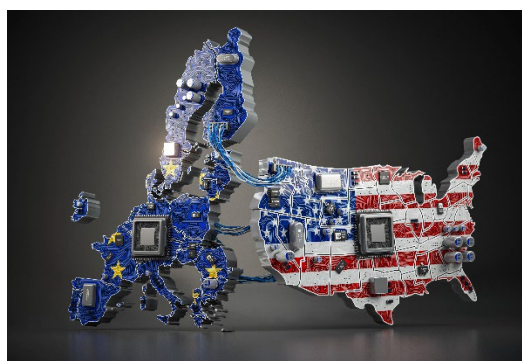
Political alignment yields results

SUMMARY

The European Union-United States Trade and Technology Council (TTC), which has met twice a year since 2021, aims to revitalise transatlantic cooperation, boost bilateral trade and investment, and strengthen the parties' technological and industrial leadership while preserving shared values. The bi-annual ministerial meetings steer cooperation within the TTC and guide its work on areas such as technology standards, secure supply chains, tech regulation, global trade challenges, climate and green technologies, investment screening and export controls. Observers agree that since Russia's war on Ukraine, the forum has become more geopolitical and strategic in nature, reflecting the growing importance of working out a common position on challenges posed by a rapidly changing world.

The TTC's first three meetings focused on launching the forum, setting its agenda, and establishing political alignment and convergence of views. The most recent meeting, held in May 2023 in Luleå, (Sweden), is considered by many to have been the most productive so far, with an increasing number of results either materialising or having their pathways established.

The main outcomes included work on emerging technologies (e.g. artificial intelligence, quantum tech, 6G); standardisation (e.g. the standards related to charging heavy-duty electric vehicles); the green transition (e.g. through the EU-US Clean Energy Incentives Dialogue and the Transatlantic Initiative on Sustainable Trade, and through work on critical minerals); trade (e.g. on mutual recognition agreements and conformity assessment initiatives); and economic security tools (investment screening, export controls and economic coercion). The TTC also launched projects supporting the roll-out of digital connectivity in Costa Rica and the Philippines, and measures protecting human rights defenders, promoting a safe online environment for youth and children as well as addressing foreign information manipulation and interference. While a majority of observers welcome the TTC's shift more towards results, some argue that many of the above initiatives and projects are far from completion, and that the TTC should step up its green transition ambition.



IN THIS BRIEFING

- The EU-US TTC in a nutshell
- Evolving context
- The fourth ministerial
- Main deliverables
- Expert views



The EU-US TTC in a nutshell

Following Joe Biden's election as US President, in December 2020 the [European Commission](#) proposed the establishment of a [European Union \(EU\)-United States \(US\) Trade and Technology Council](#) (TTC). Transatlantic relations had gone through [difficult times](#) during the Trump administration. However, with President Biden taking a course towards rapprochement and both sides seeking a 'fresh start', the TTC was [launched formally](#) on 15 June 2021 in Brussels. It set itself the aim to facilitate trade, increase investment, develop compatible standards, stimulate innovation and boost the two partners' technological and industrial leadership in the world. Since then, in addition to addressing key digital and trade issues of mutual importance, the TTC has opened up new areas of cooperation such as strategic supply chains and green and clean tech. Even before the outbreak of the Russian war against Ukraine, the TTC's work focused on important geopolitical and security tools such as export controls and investment screening.

The TTC holds high-level bi-annual meetings to steer cooperation and provide guidance to its operational working groups, which focus on transforming political decisions into tangible results.¹ Its first meeting, focused on agenda-setting, took place on 29 September 2021 in Pittsburgh, Pennsylvania. It concluded with a [statement](#) presenting the first outcomes of the work and the specific tasks to be achieved by the next meeting by each of 10 working groups:

- cooperation on technology standards in emerging technologies, such as artificial intelligence and the internet of things;
- climate and green tech;
- secure and resilient supply chains, including semiconductors;
- security and competitiveness of information and communication technologies;
- data governance and technology platforms;
- the misuse of technology threatening security and human rights;
- export controls;
- investment screening;
- promoting access to and use of digital technologies by small and medium-sized enterprises;
- and global trade challenges.

The TTC's [second meeting](#) took place on 16 May 2022 in Paris-Saclay, France. In the light of Russia's recent invasion of Ukraine, the agenda focused strongly on cooperation on sanctions and export controls. The resulting [joint statement](#) mentioned 'Russia' 56 times and largely dwelled on [the war and its effects](#). It also presented the progress made since the inaugural meeting and specified the next tasks for each of the working groups.

The TTC's [third meeting](#) was held on 5 December 2022 in College Park, Maryland. It made progress on AI standards, global connectivity, transparency of semiconductor supply chains, meaningful dialogue on forced labour and due diligence, sustainable trade, post-quantum encryption and China's non-market practices.

Evolving context

Cooperation between the EU and the US is affected by diverse dynamics and so is the TTC, which is perhaps the most prominent cooperation forum between the two parties. Its inaugural meeting took place just after the [AUKUS](#) submarine debacle, but the accompanying tensions were defused and the plans to establish the TTC materialised. The second meeting occurred just a few months after the outbreak of the war in Ukraine, which dramatically changed the forum's geopolitical context, increased its [importance](#) and tightened the [transatlantic ties](#). The run-up to the meeting was particularly affected by the US Inflation Reduction Act. No major unexpected event capable of disrupting the forum's agenda or creating tensions happened in the run-up to the fourth meeting.

The fourth ministerial

The EU and US representatives gathered in Luleå, Sweden on 30 May 2023 for their fourth ministerial-level TTC meeting. It was hosted by the [Swedish Presidency](#) of the Council and co-chaired by European Commission Executive Vice President Margrethe **Vestager**, European Commission Executive Vice President Valdis **Dombrovskis**, US Secretary of State Antony **Blinken**, US Secretary of Commerce Gina **Raimondo**, and US Trade Representative Katherine **Tai**. The meeting was also attended by Commissioner for the Internal Market Thierry **Breton**, who had also attended the second TTC meeting in France. The fourth meeting concluded with a [joint statement](#) outlining the parties' common views on evolving and geostrategic challenges such as the war in Ukraine and climate change.

The inaugural [Pittsburgh statement](#), which was 17 pages long, set the framework for cooperation. It was followed by the much more detailed, 47-page-long [Paris-Saclay statement](#), which presented the agenda for the working groups and dealt with the fall-out from the war in Ukraine. The [Maryland statement](#), which came next, marked a shift to a number of concrete deliverables. Contained in just six pages, it no longer adhered to the previous format of discussing the work of each working group separately, but focused on the main objectives, both achieved and planned. It is therefore possible to conclude that the Pittsburgh meeting was about launching the TTC, the Paris meeting was mainly about policy scoping and agenda-setting, and the Maryland meeting was about focusing on initial outcomes. The 12-page-long statement presented in Luleå featured a higher number of concrete deliverables than the previous statements. It was structured around five main areas and highlighted both what had been achieved and what the next steps would be. Below is a detailed description of progress made so far and the main outcomes of the meeting.

Main deliverables

The fourth ministerial underlined the central role of the TTC in the broader transatlantic partnership, the strategic importance of which was reconfirmed in the context of **Russia's** war of aggression on Ukraine. The two parties pledged to unconditionally support **Ukraine** for as long as it takes, and to use avenues within the TTC framework for their coordinated response. These include sanctions-related export restrictions; combatting foreign information manipulation and interference (FIMI), and combatting disinformation campaigns. The EU and the US recognised that the evolving international environment requires enhanced cooperation and information exchange to identify and respond to challenges affecting their economic security. At the same time, they acknowledged that their cooperation to strengthen economic security is rooted in the **international rules-based system**. To that end, they pledged to strengthen their bilateral coordination and work with other partners, including in [the G7](#), to diversify their supply chains; to address non-market policies and practices designed to reinforce dependencies; and to increase mutual collective preparedness, resilience to and deterrence of [economic coercion](#). The two parties agreed to continue their

US Inflation Reduction Act and the TTC

One of the flagship legislative initiatives of the Biden administration, the [Inflation Reduction Act](#) (IRA), was adopted in August 2022. The IRA earmarked federal funds worth around US\$[370 billion](#) for climate and energy, the largest amount earmarked for this purpose in US history. This caused [mixed reactions](#) in the EU: while the US's significant commitment to combating climate change was welcomed, there were [concerns](#) that the act was favouring US manufacturers (particularly in automotive supply chains) by offering them tax credits and production subsidies that posed the risk of un-levelling the playing field for EU exporters. On the fringes of the [TTC](#), a dedicated [US-EU Task Force on the IRA](#) was launched on 26 October 2022, to address the EU's concerns in relation to the new US legislation. A major [outcome](#) of its work is that the EU is now engaged in [formal negotiations](#) with the US on the [Minerals Club Agreement](#), which would allow access of EU car manufacturers to the IRA scheme of incentives, namely to the Clean Vehicle Credit subsidy. Once ratified, the agreement should enable relevant critical minerals extracted or processed in the EU to be taken into account towards the US subsidy requirements.

cooperation in multilateral discussions related to trade and technology in fora such as the G20 and G7, and to step up their efforts to **modernise global trade rules** by searching for solutions to reform the World Trade Organization (WTO) and make substantive progress during the preparatory phase of the [13th WTO Ministerial Conference](#).²

The statement also highlighted that in these times of sweeping technological developments, the partners commit to deepening their **cooperation on technology** issues, including on AI, 6G, online platforms and quantum technologies. This is with a view to maximising on the potential of emerging technologies while simultaneously mitigating the challenges they pose to universal human rights and shared democratic values. Accordingly, the two sides pledged to continue to advance the principles in [the Declaration for the Future of the Internet](#), together with like-minded partners. The statement further highlighted that, faced with growing challenges posed by climate change, the EU and the US have placed **decarbonisation** at the core of trade policy, to accelerate the transition towards a net-zero economy. Both have also committed to undertaking joint analyses of non-market policies and practices of third parties to get a better understanding of their impact on US and EU enterprises.

Emerging technologies

The rapid developments in [generative AI](#) present vast opportunities but also risks. The EU and the US cooperate on **artificial intelligence** under the TTC, and have now moved to the implementation phase of their [joint roadmap on evaluation and measurement tools for trustworthy AI and risk management](#). Work on the roadmap has advanced through the launch of three dedicated expert groups focusing on: i) AI terminology and taxonomy; ii) cooperation on AI standards and tools for trustworthy AI and risk management; and iii) monitoring and measuring of existing and emerging AI risks.

These groups have issued a [list of 65 key AI terms](#) essential to understanding risk-based approaches to AI, accompanied by their EU and US interpretations and by shared EU-US definitions.³ They have also mapped the respective involvement of the two partners in standardisation activities aiming to identify relevant AI-related standards of mutual interest. In Sweden, the two parties agreed to put special emphasis on generative AI, including its opportunities and risks, and to the work on the roadmap. All this will complement the [G7 Hiroshima AI process](#). They also announced their intention to expand the list of shared AI terms, to continue developing AI standards and AI risk management tools, and to compile a catalogue of existing and emerging risks including an understanding of the challenges posed by generative AI. On 27 January 2023, the EU and the US signed an [Administrative Arrangement on Artificial Intelligence for the Public Good](#), aimed at boosting research collaboration in five areas of shared significance and benefit: extreme weather and climate forecasting, emergency response management, health and medicine improvements, energy grid optimisation, and agriculture optimisation.

The two TTC partners are also working on **standardisation**, namely joint technical specifications, for key critical and emerging technologies. The partners and their respective standardisation organisations encourage stronger development of international standards for additive manufacturing (3D printing).⁴ They are also collaborating more closely in the area of digital identity, having held a series of technical exchanges and an [event](#) to engage experts from government, industry, civil society and academia. By the next ministerial, the TTC plans to develop a transatlantic mapping of digital identity resources and initiatives, and to use cases with the aim of advancing joint pre-standardisation research efforts, facilitating interoperability, and streamlining implementation guidance while respecting human rights.

Moreover, the two parties have cooperated to develop a shared vision of a standard for charging electric heavy-duty vehicles. The next steps include developing a transatlantic test procedure for high-power charging to ensure interoperability and adequate system-charge performance. The aim is to deliver fully compatible technical specifications that would reduce manufacturing and

deployment costs and thereby facilitate transatlantic cooperation for green mobility. Furthermore, the EU and the US have published joint technical recommendations for the government-funded implementation of e-vehicle [charging infrastructure](#). The statement mentions possible further work on developing standards in the inland shipping, marine, mining and aviation sectors among others. The role, access to and participation of small and medium-sized enterprises (SMEs) in international standardisation activities will be outlined in the joint policy recommendations on accelerating SMEs' access to and the uptake of digital tools later in 2023.

On **semiconductors**, the EU and the US have operationalised a joint early warning mechanism for semiconductor supply chain disruption, as well as a transparency mechanism for reciprocal sharing of information about public support provided to the semiconductor sector (to avoid a subsidy race to the bottom). The two parties expressed the belief that semiconductor investment in both jurisdictions is mutually beneficial, as the resilience it brings about in the EU supply chain supports US resilience, and vice versa. The two parties are also exploring new ways to collaborate with each other, including on the incentives for research in manufacturing. The TTC will also explore avenues for building a robust and full semiconductor-supply-chain ecosystem, from material inputs to packaging, including through sharing views and exchanging information on targeted supply-chain support measures.

Regarding **quantum technologies**, the TTC has established a joint task force to address open questions on science and technology cooperation. Its mandate tasks include ensuring reciprocity for participation in the respective public research and development (R&D) programmes, developing the applicable intellectual property rights framework, identifying critical components, handling issues related to standardisation, defining benchmarking of quantum computers, and addressing issues related to export control. The task force is also discussing activities in [post-quantum cryptography](#) standardisation and potential avenues for future cooperation, which would feed into the [EU-US Cyber Dialogue](#).

Sustainability, trade and investment

The statement outlines the TTC's intention to amplify the potential of the transatlantic marketplace as a catalyst for decarbonisation and the green transition. The main initiative in this context is the **Transatlantic Initiative on Sustainable Trade**, launched during the Maryland meeting to boost the green transition and resilience of related supply chains. During the meeting in Sweden, the partners endorsed the initiative's [work programme](#), which contains, among other things, the intention to launch a transatlantic circular economy initiative as well as a joint initiative on green public procurement policies. Other notable future actions include a joint assessment of supply chains, cooperation on their transparency, traceability and due diligence as well as deepening efforts to diversify the EU and US supply of rare earth magnets.

To boost investment in clean energy economies, in March 2023 the TTC launched a **Clean Energy Incentives Dialogue** to ensure that respective incentive programmes supporting the industrial bases are mutually reinforcing. The two parties pledged not to act at each other's expense and to ensure that the incentives maximise clean energy deployment and jobs. The dialogue also seeks to address systemic issues on design and effects of incentive programmes, and to share information on non-market policies and practices of third parties, with a view to taking joint or parallel action.

The two parties underlined their dependence on some **critical minerals** necessary for the successful green transition. To end these vulnerabilities, the EU and the US pledged to closely coordinate their responses to shared concerns.

The TTC will also explore ways to enhance the use of **digital tools** in transatlantic trade-related transactions and ways to boost cooperation on **trade facilitation** in order to simplify and modernise export and import processes. The EU and the US have also extended the scope of the **EU-US Mutual Recognition Agreement** to include veterinary medicines. Moreover, they have updated their [EU-US Marine Equipment Mutual Recognition Agreement](#) to align it with the latest international

developments. In addition, the partners are working on facilitating **conformity assessments** across a range of sectors, such as machinery, and continue exploring cooperation on horizontal approaches to conformity assessments.

The TTC also promotes **sustainable and responsible supply chains** with strong protection for labour rights, through actions such as in-depth exchanges on relevant existing and upcoming regulations and rules and on their implementation. Similar exchanges have been made regarding the approaches the two parties apply to support the successful development of sustainable and responsible supply chains and to support stakeholders in their efforts. The meeting in Sweden also included a second principal-level session of the **Trade and Labour Dialogue** that brought together senior representatives from labour, business and government. The meeting focused on ways to eradicate forced labour from global trade and supply chains as well as ways to examine the impact of the green transition on workers. The TTC welcomed a new set of [joint recommendations](#) on combatting forced labour in global supply chains, drafted by EU and US labour unions and companies. The participants in the dialogue will now discuss how to implement these recommendations.

The TTC will work to identify commonalities and resolve differences in current EU and US **digital trade policies**. It will then jointly promote those principles with other trading partners to ensure that global trade in digital services and technology supports shared democratic values. It will also exchange information on non-market policies and practices affecting digital trade, and policies mitigating risks posed on the digital firms by non-market economies.

Trade, security and economic prosperity

Since the beginning of the Russian invasion of Ukraine, the TTC has been [pivotal](#) in supporting the unprecedented cooperation between the EU and the US (and other like-minded countries) on the economic **sanctions against Russia and Belarus**. The TTC assists in the implementation of these measures by channelling the consistent exchange of information on the application of controls and by working to address enforcement and circumvention risks. It has furthermore identified key categories of goods critical to Russia's warfare, to assist in interrupting their supply, through roundabout routes, to Russia, and to assist in the further tightening of enforcement through counter-evasion actions.⁵ **Export restrictions** require extensive information-sharing, capacity-building and coordination of commitments with third countries. The TTC has also supported technical consultations on regulatory developments, one such set of consultations having been dedicated to the coordination on timing of publishing the new controls on biotechnologies. The two parties pledged to hold further consultations before introducing any export controls on sensitive items, and to work together on risk assessments serving as grounds for controls on emerging technologies.

The two parties have continued their exchanges on **investment screening**, by identifying trends that have an impact on national security risks related to specific

Outbound investment risks

As specified in the Commission communication on an [economic security strategy](#), the EU is considering possible measures to address security risks related to outbound investments. The Commission is aiming to submit a proposal for an initiative by the end of 2023. In the communication, the Commission expresses its concern over 'the leakage of sensitive emerging technologies, as well as other dual-use items, to destinations of concern that operate civil-military fusion strategies, and to avoid the backfilling of any controlled exports and investments'. The communication refers to a narrow set of advanced technologies with a potential to enhance military and intelligence capacities (such as quantum technologies, advanced semiconductors and AI). In a similar spirit, on 9 August 2023, the US President Joe Biden issued an [executive order](#) to regulate certain types of US outbound investment in these sectors (and microelectronics) in 'countries of concern', where this investment may pose a risk to US national security. Investment in these technologies or subsets thereof will be subject to notification rules or prohibited altogether.

sensitive technologies and critical infrastructure. The two parties will jointly reach out to stakeholders interested in investment screening mechanisms, starting with the Western Balkans. The statement specifies that tools for export controls and investment screening need to be complemented by measures designed to address risks from **outbound investment**. Together, they can be used to protect sensitive technologies from being used in ways that threaten international peace and security. To this end, the EU and the US will keep coordinating, sharing lessons and seeking to align approaches to maximise the effectiveness of policies.

The EU and the US are exposed to threats posed by **non-market policies and practices of third countries**. The TTC helps to address these policies and practices through an exchange of views. For example, such an exchange has taken place as regards the Chinese medical devices sector, and the partners are now exploring possible coordinated action. The global supply of semiconductors is also of particular interest, and the statement pledges that the EU and the US, together with like-minded partners, will exchange information and market intelligence related to non-market policies and practices in this strategic sector. They will also explore cooperative measures to address those policies and mitigate their distortionary effects. This will be done to avoid negative spill-over effects from global excess capacity. The TTC is also analysing government-owned or government-controlled investment funds and the enterprises they support, to identify the distortions caused by these funds.

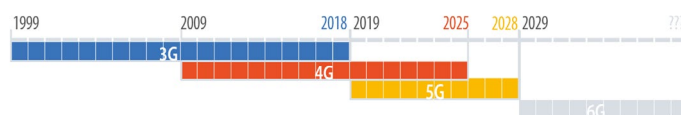
The two parties also share concerns about **economic coercion** and remain committed to enhancing cooperation in relevant fora, such as the recently launched [G7 Coordination Platform on Economic Coercion](#). In the statement, the two parties pledge to strengthen coordination with each other and other partners in order to improve the preparedness, resilience, deterrence, assessment and responses to economic coercion. This will include support to targeted states, economies and entities as a demonstration of solidarity and resolve to uphold the rule of law.⁶

Connectivity and digital infrastructure

Taking into account the accelerating technological cycles, the TTC has also stepped up cooperation to develop a common vision and industry roadmap on research and development for **6G wireless communication systems**. Each new generation of wireless system took less time than its predecessor to be deployed, and 6G is expected to start replacing 5G as the predominant commercial cellular wireless standard by 2030 (see Figure 1).

The EU and the US's common aim is to ensure that these technologies are designed in a way that would reflect their shared values and principles. The first step has been the development of a common [6G outlook](#). Research cooperation on 6G would be crucial in ensuring the transatlantic technology leadership of future global communication networks. The EU and the US plan to increase their involvement and support for those global standardisation fora, such as the International Telecommunication Union ([ITU](#)), that have shaped previous generations of communications technology and strive to base the future networks on openness, innovation, security, and affordability. The EU and the US will start developing a common vision based on guiding principles (such as sustainability, privacy, accessibility, openness, and inclusiveness). The partners aim to develop a common and aligned 6G industry roadmap by the end of 2023. This roadmap will be based on private-sector input and will feed into a TTC 6G common vision. The latter will subsequently be the starting point for scaling up the existing R&D cooperation on 6G. The aim is to

Figure 1 – The deployment timeline of the generations of wireless communications



Data source: The [3GPP Portal](#).

'create critical mass among like-minded partners in global regulatory and standardisation bodies, and cooperate in technology trials and pilots to foster market adoption'.

The EU and the US support the creation of secure and trusted **digital infrastructure and connectivity in third countries**, particularly emerging economies. They will organise in the coming months a digital ministerial roundtable on inclusion and connectivity with the participation of the digital ministers of key emerging economies. Following the launch of joint initiatives with Jamaica and Kenya during the [third ministerial](#), the TTC established two new connectivity partnerships. In **Costa Rica and the Philippines**, the EU and the US support the roll-out of secure, resilient and inclusive digital connectivity through financing, technical assistance and measures to boost cybersecurity. Since international connectivity is crucial for security and trade, the TTC will advance cooperation on the selection of trusted **subsea cable providers** for new cable projects. In particular, it will reflect on intercontinental ICT cable projects that promote trustworthy suppliers, reduce latency and enhance route diversity in connections among Europe, North America and Asia.

Human rights and values in a geopolitical digital environment

The two parties advocate greater responsibility of **online platforms** in ensuring that their services contribute to an online environment protecting, empowering and respecting children and youth. The platforms should also take into account the impact of their services on child and youth mental health and development. Furthermore, independent research should be carried out on how the platforms operate and affect individuals and society. To that end, the EU and the US have developed a list of joint [high-level principles](#) on the protection and empowerment of children and youth and the facilitation of data access from online platforms for independent research.

Sharing deep concerns about **foreign information manipulation and interference (FIMI) and disinformation**, particularly in the context of Russia's war against Ukraine and China's amplification of Russian disinformation narratives, the two parties have been building a common situational awareness and understanding of the threats posed by FIMI and information operations. Cooperation in the TTC includes: i) a shared standard for structured threat information exchange on FIMI with the underlying common methodology for identifying, analysing and countering FIMI; ii) actions to improve the readiness of the multi-stakeholder community to step up its actions against FIMI threats, including in Africa, Latin America, and EU Neighbourhood countries; and iii) a joint call for action to online platforms operating in the above-mentioned regions to ensure the integrity of their services and effective responsiveness to disinformation and FIMI, building on the example of the 2022 [EU Code of Practice on Disinformation](#). The Luleå meeting also produced a dedicated [joint statement](#) with further details on the continuing cooperation to combat FIMI in third countries.

The TTC has also been active in advancing **human rights defenders' (HRDs) protection** online and offline. It has enhanced the cooperation between EU- and US-based emergency mechanisms and enabled an exchange of information on support strategies that aim to prevent, curb, mitigate and eliminate the use of arbitrary and unlawful surveillance targeting HRDs. It has also called on the private sector, including on technology companies and digital platforms, to fully respect human rights in line with the [UN guiding principles on business and human rights](#), and to prevent the misuse of their products and platforms while supporting victims and survivors of abuse. By the next ministerial meeting, the TTC will issue its guidance on how content hosting platforms can effectively collaborate and coordinate with civil society and HRD protection providers to identify, address, mitigate, prevent, and enable access to remedy for digital attacks aimed at HRDs.

Finally, the TTC has acknowledged the launch of the **Talent for Growth Task Force**, which seeks to promote the development of those [talents and skills](#) of the working-age population that are critically needed to successfully compete in emerging and existing technologies markets. To review and advance the joint work further, the co-chairs will meet again before the end of 2023 in the US.

Expert views

The [Center for Strategic and International Studies](#) (CSIS) argued that persistent frictions about climate and trade policy seem to have subsided, 'paving the way for what was a fruitful and technology-centered TTC'. The meeting was 'coloured' by the discussions on geopolitical tools and aspects of economic statecraft, such as investment screening mechanisms, export controls, economic coercion and [de-risking](#) value chains. The CSIS identified growing US-China tensions as the outside geopolitical trend influencing this round of talks. While China was mentioned explicitly only twice in the statement, there were numerous references to 'non-market policies', which may be considered a veiled reference to the country, and an effort to seek more convergence of views. The centre argues that the TTC should push towards stronger joint action on climate and sustainability. As the next ministerial will probably 'come on the heels of official Asia-Pacific Economic Cooperation (APEC) and 2023 UN Climate Change Conference (COP28) meetings', the policymakers will have a significant opportunity to 'secure additional third country buy-in to the broader agenda, particularly on AI and climate change mitigation policies'.

Speaking at the event organised by the [Center for European Policy Analysis](#), Helena Fu from the US [National Security Council](#) considered the fourth ministerial to be the most productive one so far. She considers that the continuously evolving TTC is in essence a long-term process and a valuable contact and discussion platform. Since it involves plenty of ongoing technical work, it does not make an obvious topic for the news headlines. She considers the TTC to be particularly valuable, as it mixes discussions on technology with those on common values such as protection of children and youth and HRDs.

The [American Chamber of Commerce to the European Union](#) welcomed the reaching of important milestones at the meeting in Luleå, particularly in the area of technology and the promotion of a green transatlantic marketplace. However, it notes that much remains to be done as regards transatlantic data transfers, critical raw materials and engagement with stakeholders across supply chains.

Speaking at the webinar organised by the [Center for a New American Security](#), Tyson Barker, senior advisor for the Bureau of European and Eurasian Affairs at the US Department of State, said that the TTC is a flexible arrangement tackling the complicated nexus of economics, technology economic security and green transition with fit for purpose solutions. It has also acquired a security dimension since most technologies in its remit, such as quantum computing, are of [dual use](#).

François Godement of the [Institut Montaigne](#) believes that the EU Member States' internal disagreements over the June 2023 [European economic security strategy](#) have prevented the TTC from reaching a transatlantic agreement with strong defensive measures on China. In contrast to other observers, he sees the TTC as being at the nascent stage, and that most of the deliverables are 'starting, ongoing or expanding processes rather than final or binding agreements'. While some of them could prove consequential or have genuine technical relevance, most are work in progress, or at best, guidance, and may not become binding because the TTC has no mandate to sign formal and legally binding agreements such as international treaties. The expert says that there is a risk that EU Member States might block any intended agreement if a vote in the Council is required, as they are not involved in the flexible, behind-the-scenes negotiations in the TTC from the outset. He suggests that the Member States give the Commission pre-meeting mandates to empower it within the TTC. He concludes that the TTC was 'initiated by Europeans, and indeed is closer to the EU's tradition of step-by-step moves and soft resolution rather than to the broad, executive-based initiatives practiced in the United States', where the federal government works in many areas with rules rather than with laws passed by Congress. In his opinion, the EU legislative process is more complicated and subject to interpretation by the European Court of Justice.

Frances Burwell from the [Atlantic Council](#) underlines that the TTC has evolved from a body coordinating standard-setting efforts to a more strategic and geopolitical forum (particularly

following the Russian invasion of Ukraine). While the business community expected the TTC to tackle ongoing rifts in the transatlantic relationship, it has focused on future areas of cooperation instead. Small steps taken in individual portfolios are the basis for meaningful technical and economic collaboration in the future. Perhaps the biggest benefit of the TTC so far lies in the deepening of communication and the resulting visible transatlantic convergence of views around AI, supply chains, subsidies, investment controls and others. The expert argues that the main question now for the TTC is 'whether it can steer the growing use of economic measures to address geopolitical concerns in a way that is complementary and cooperative'. The TTC will need to expand its work on supply chains from simply mapping to jointly addressing issues. It will also need to seek greater cooperation aimed at limiting the spread of disinformation through social media and AI. The EU and the US must figure out, through the TTC, how they can jointly approach countries with significant quantities of rare-earth elements so that they do not compete over resources. Another important issue is finding a way towards the green transition that boosts the resilience of both parties without weakening the transatlantic partnership (which seemed likely when the IRA was adopted). Olga Khakova from the [Atlantic Council](#) adds that the green transition track of the TTC needs to be advanced and that the EU and the US 'will need to more broadly align on standards related to measuring carbon and environmental impacts, including by clarifying the role of digitalization in decarbonization and the role of digital solutions in streamlining carbon-emissions measurements and verification'.

Georg E. Rekieles from the [European Policy Center](#) (EPC) argues that the TTC's success hinges on deliverables such as partnership on critical minerals, an agreement on transparency and rules for green industrial subsidies, making progress on methodologies for carbon accounting and removing obstacles to transatlantic trade. These should also feed into much needed convergence on China. Philipp Lausberg from the [EPC](#) notes that mitigating the impact of the IRA and moving towards the critical mineral agreement highlights the question of whether the EU and the US can coordinate successfully their policies on green industries and economic security. One of the important dimensions would be whether the TTC can facilitate a more coordinated and effective approach to green industrial policy on the international level, with regard to non-market practices by third parties such as China, and in multilateral fora such as the G7. Finally, Annika Hedberg from the [EPC](#) maintains that the TTC should now increase its efforts to explore transition pathways to a circular economy, one of which involves removing trade barriers to recycled goods.

European Parliament

MEPs take the view that fora such as the TTC contribute to supplier diversification and to the resilience of [supply chains](#) as well as to reinforcing the EU's [open strategic autonomy](#). The co-chairs from the Commission, Vestager and Dombrovskis, have debriefed the European Parliament's Committee on International Trade (INTA) after each TTC ministerial, taking questions from MEPs.

The TTC is also regularly discussed at the meetings of the [Transatlantic Legislators' Dialogue](#) (TLD). Most recently, the TLD members met on 16 and 17 June 2023 in Stockholm. Their joint [statement](#) expressed support for the TTC and encouraged the EU and the US to conclude an agreement on critical minerals and address outstanding issues in the context of the IRA. The TTC should also work to maintain the joint technological edge and keep emerging technologies anchored in shared democratic standards and human rights. The TLD would like to see the TTC used as a forum seeking solutions to address malign external disinformation and manipulation campaigns.

MAIN REFERENCES

[EU-US Joint Statement of the Trade and Technology Council](#), May 2023.

ENDNOTES

- ¹ The TTC is co-chaired by European Commission Executive Vice-President and Competition Commissioner, Margrethe Vestager (currently on leave of absence from the Commission); European Commission Executive Vice-President and Trade Commissioner, Valdis Dombrovskis; US Secretary of State, Antony Blinken; US Secretary of Commerce, Gina Raimondo; and US Trade Representative, Katherine Tai. The working groups, which coordinate the technical work, are led or co-led by relevant departments, services or agencies at US federal government level and EU level.
- ² The [meeting](#) is planned for the week of 26 February 2024 in Abu Dhabi, United Arab Emirates.
- ³ Despite this rapprochement of positions, there are also important divergences. In October 2023, the US reportedly raised a concern that the new [EU AI Act](#) would favour larger enterprises that have the resources to meet the costs of compliance, while disproportionately affecting smaller firms.
- ⁴ More specifically, the statement mentions that the products should bear three logos ([ISO](#), [CEN](#) and [ASTM](#)) certifying health and safety requirements.
- ⁵ The EU adopted its [11th package of sanctions](#) in June 2023. One of the main objectives is to deploy a new anti-circumvention tool to stop the illegal import to Russia of sanctioned goods and technology occurring through certain [third countries](#).
- ⁶ The newly adopted [Anti Coercion Instrument Regulation](#) has dedicated provisions on international cooperation (Article 7). It allows the Commission to enter into consultations or 'cooperate with any third country affected by the same or similar economic coercion or with any other interested third country, with a view to obtaining the cessation of the economic coercion, after having consulted the Council, where applicable in accordance with the Treaties'.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2023.

Photo credits: © Maxym Yemelyanov / Adobe Stock.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)